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OFAC Guidance on Extending the Statute of Limitations for Sanctions Violations Signals Aggressive Enforcement

The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") last week issued [guidance](#) regarding the extension of the statute of limitations for sanctions violations. This guidance follows the enactment of the 21st Century Peace Through Strength Act on April 24, 2024, which extended the statute of limitations for civil and criminal violations of the International Emergency Economic Powers Act ("IEEPA") and the Trading with the Enemy Act ("TWEA") from five to 10 years. You can read our analysis of that law [here](#).

The extension underscores the U.S. government's commitment to aggressive enforcement of its economic sanctions programs and aims to enhance compliance and accountability in international business activities. Companies engaged in cross-border trade with possible sanctions exposure should be mindful of the extended limitations period, which is quite a significant change from the five-year period that had been in place for decades.

KEY POINTS:

- **Extended Timeframe:** The statute of limitations for enforcement actions under IEEPA and TWEA is now ten years. This means OFAC can initiate enforcement actions for violations occurring within ten years of a violation, provided the violation occurred after April 24, 2019.

- **Recordkeeping Requirements:** OFAC also announced they plan to change recordkeeping requirements to align with the new extended statute of limitations. OFAC will publish a new interim final rule, with an opportunity for public comments, which extends recordkeeping requirements from five to 10 years. OFAC expects this change to take effect six months after the publication of the interim final rule.

WHAT DOES THIS MEAN FOR BUSINESSES?

- **Enhanced Enforcement:** The extended statute of limitations allows OFAC more time to investigate and enforce sanctions violations, potentially leading to more enforcement actions.
- **Compliance Implications:** Companies and individuals subject to OFAC regulations will need to maintain records for a longer period, ensuring they can provide documentation if required during an investigation.
- **Legal Clarity:** OFAC's guidance provides clear instructions on how the new statute of limitations will be applied and gives companies ample time to understand the new obligations and risks of non-compliance.

For more information and assistance, contact [Anthony Rapa](#), [Kathleen H. Shannon](#), or another member of Blank Rome's [International Trade](#) or [White Collar Defense & Investigations](#) groups.

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